

**FIRE PROTECTION DISTRICT No. 6
OF GRANT PARISH**

Bentley, Louisiana

AND

HUDSON CREEK FIRE DEPARTMENT, INC.

Dry Prong, Louisiana

Compiled Financial Statements
Year Ended December 31, 2012

PREPARED BY:

JIMMIE SELF, CPA

A Professional Accounting Corporation

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Compiled Financial Statements
Year Ended December 31, 2012

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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

Fire Protection District No. 6 of Grant Parish
Hudson Creek Fire Department, Inc.
Bentley, Louisiana 71407

Gentlemen:

I have compiled the accompanying of financial statements of the governmental activities of the Grant Parish Fire Protection District No. 6 and the Hudson Creek Fire Department, Inc., a component unit of the Grant Parish Police Jury, as of December 31, 2012, which collectively comprise the Fire Protection District's basic financial statements as listed in the table of contents. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

The management of the Fire Protection District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist the management of the Fire Protection District in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

The Schedule of Compensation Paid Commissioners and the Schedule of Findings and Responses on pages 14 and 15 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have compiled the Schedule of Compensation Paid Commissioners and the Findings and Responses from information that is the representation of management of the Fire Protection District, without audit or review. Accordingly, I do not express an opinion or provide any assurance on the supplementary information.

The Grant Parish Fire Protection District No. 6 did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2012. The effects of this departure from generally accepted accounting principles have not been determined.



JIMMIE SELF, CPA
Monroe, Louisiana
June 19, 2013

**GENERAL PURPOSE
FINANCIAL STATEMENTS**

GRANT PARISH FIRE PROTECTION DISTRICT No. 6
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.
Bentley, LA

STATEMENT A

ALL FUND TYPES AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
December 31, 2012

	Governmental Fund Type General Fund	ACCOUNT GROUP General Fixed Assets	Totals Memorandum Only
<u>ASSETS AND OTHER DEBITS</u>			
Cash and Cash Equivalents	\$ 54,609	\$ -	\$ 54,609
Land, Buildings, and Equipment	-	674,997	674,997
TOTAL ASSETS AND OTHER DEBITS	\$ 54,609	\$ 674,997	\$ 729,606
<u>LIABILITIES AND FUND EQUITY:</u>			
LIABILITIES	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-
FUND BALANCE			
Investments in General Fixed Assets	-	674,997	674,997
Undesignated	54,609	-	54,609
TOTAL FUND BALANCE	54,609	674,997	729,606
TOTAL LIABILITIES AND FUND BALANCE	\$ 54,609	\$ 674,997	\$ 729,606

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

GRANT PARISH FIRE PROTECTION DISTRICT No. 6
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.
Bentley, LA

STATEMENT B

GOVERNMENTAL FUND TYPE - GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

For the year ended December 31, 2012

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Ad Valorem Taxes and Related Revenue Sharing	\$ 70,000	\$ 72,000	\$ 66,076	\$ (5,924)
Insurance Rebate	15,000	15,000	-	(15,000)
Interest Income	200	300	109	(191)
Revenue Sharing	12,000	16,000	17,382	1,382
Other Income	9,000	8,000	24,062	16,062
Total Revenues	\$ 106,200	\$ 111,300	\$ 107,629	\$ (3,671)
EXPENDITURES				
Public Safety:				
Operating services	\$ 1,900	\$ 10,200	\$ 11,914	\$ (1,714)
Payroll	29,000	25,000	28,874	(3,874)
Payroll W/H and Taxes	8,000	8,000	-	8,000
Insurance	17,000	17,000	14,640	2,360
Utilities and Telephone	8,000	-	-	-
Office Expense	500	-	-	-
Repairs and Maintenance	12,000	12,000	364	11,636
Miscellaneous	8,000	8,000	16,022	(8,022)
Fuel and lube expense	15,000	15,000	19,766	(4,766)
Capital Expenditures	5,000	5,000	5,140	(140)
Total Expenditures	\$ 104,400	\$ 100,200	\$ 96,720	\$ 3,480
EXCESS OF REVENUES OVER EXPENDITURES	1,800	11,100	10,909	191
FUND BALANCE BEGINNING OF YEAR	191,845	109,308	128,037	(18,729)
Prior Adjustment (Eliminate Accounts Receivable) Note 10	(84,337)	(84,337)	(84,337)	-
Fund Balance adjusted at beginning of year	107,508	24,971	43,700	(18,729)
FUND BALANCE ENDING OF YEAR	\$ 109,308	\$ 36,071	\$ 54,609	\$ (18,538)

SEE ACCOMPANYING NOTES AND INDEPENDENT ACCOUNTANT'S COMPILATION REPORT.

**NOTES
TO THE
FINANCIAL STATEMENTS**

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2012**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements include the combined operations of Fire Protection District No. 6 of Grant Parish (the District) and Hudson Creek Volunteer Fire Department, Inc. (the Department). These organizations are described as follows:

Fire Protection District No. 6 of Grant Parish was created by the Grant Parish Police Jury and is governed by a board of directors appointed by the Police Jury. The District serves generally the same area as the Hudson Creek Volunteer Fire Department; however, the District is a political subdivision with the ability to levy taxes to support fire protection activities. The District is funded primarily by property taxes.

Hudson Creek Volunteer Fire Department, Inc. was established to provide fire protection for a portion of Grant Parish. The Department is a Louisiana non-profit corporation governed by a Board of Directors elected by its membership. The department has been funded primarily by donations and fundraising activities.

The District and the Department have historically exercised fire protection activities in a cooperative fashion. Accordingly, the combined activities have been consolidated into a single financial statement presentation. The financial statements are prepared in accordance with generally accepted accounting principles for governmental units.

The District is a component unit of the Grant Parish Police Jury, the primary governing body of the Parish and the governmental body with oversight responsibility. The accompanying financial statements present information on the funds maintained by the District and the Department, and do not present financial information on the primary government, the general government services provided by the Police Jury, or the other governmental units that are accountable to the primary government.

A. Basis of Presentation

The accompanying general purpose financial statements of the District and Department have not been prepared in conformity with the generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Grant Parish Fire Protection District No. 6 did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended. The effects of this departure from generally accepted accounting principles has not been determined.

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2012**

B. Reporting Entity

As the governing authority of the parish for reporting purposes, the Grant Parish Police Jury is the financial entity for the Grant Parish Fire Protection District No. 6, (the District) and the Hudson Creek Fire Department, Inc.(the Department). The financial entity consists of (a) the primary government (police jury), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Grant Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. The criteria includes:

- A. Appointing a voting majority of an organization's governing body, and The ability of the police jury to impose its will on that organization and/or the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.
- B. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
- C. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Because the District and Department are fiscally dependent on the police jury, they were determined to be a component unit of the Grant Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and Department and do not present information on the police jury, the general government services provided by that governmental unit, or other governmental units that comprise the financial reporting entity

C. Fund Accounting

The District and Department use funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2012**

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed asset and long-term obligations) that are not recorded in the “funds” because they do not directly affect net expendable available financial resources. They are concerned only with measurement of financial position, not with the measurements of results of operations.

The only fund for the District and Department is the governmental fund. Governmental funds account for the District and Department’s general activities, including collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the district include:

General Fund – the general operating fund of the district and accounts for all financial resources, except for those required to be accounted in for other funds.

D. Basis of Accounting

The accounting of financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. Operating statements for these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

Revenues:

All revenues are recorded when received.

Expenditures:

Expenditures are generally recognized under the modified accrual basis of accounting, when the liability is incurred.

E. Budget Practices

The proposed budgets, prepared on the cash basis of accounting, were prepared and adopted by the board of commissioners in December preceding the beginning of the new fiscal year. The budget is established and controlled by the board of commissioners at

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2012**

the object level of expenditure. Encumbrance accounting is not utilized in the district's records. Appropriations lapse at the year end and must be re-appropriated for the following year to be expended. All changes in the budget must be approved by the board of commissioners.

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

G. Cash and Cash Equivalents

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any state in the union, or the laws of the United States. The District and Department may invest in certificates and time deposits of state banks under Louisiana law and national banks having principal offices in Louisiana. If the original maturities are 90 days or less, deposits are classified as cash equivalents.

The deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledged securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal amount on deposit with the fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

H. Risk Management

The District carries both liability and workers comp insurance for the protection of the volunteers and the public served. The District also carries insurance on the operational vehicles.

I. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental fund (General Fund). No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost including interest. It is the District and Department's policy to capitalize expenditures greater than \$750.

J. Compensated Absences

The district has only part-time employees, therefore there is no policy relating to vacation

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2012**

and sick leave.

K. Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group.

L. Fund Equity

Reserves

Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

M. Total Columns on Statements

The total column on the combined statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 2. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended December 31, 2009 follows:

	Beginning Balance 12/31/11	Additions	Disposals	Balance 12/31/2012
Land	\$ 15,000	-	-	\$ 15,000
Buildings	61,423	-	-	61,423
Equipment	593,434	5,140	-	598,574
Total	<u>\$ 669,857</u>	<u>5,140</u>	<u>-</u>	<u>\$674,997</u>

No depreciation has been charged.

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2012**

NOTE 3. CASH AND CASH EQUIVALENTS

On December 31, 2012, the checking account and savings account bank balance was in the amount of \$54,609.00 held in the Colfax Banking Company in Colfax, LA. Bank deposits were fully insured by the FDIC up to \$250,000.

NOTE 4. AD VALOREM TAXES

Ad Valorem taxes are assessed based on a proposition approved by the voters on May 3, 1997 authorizing 15 mills for a period of 10 years beginning with 1997 for the purpose of purchasing and maintaining equipment, and the general operations of the District.

A tax renewal election was held on October 15, 2005. The tax millage of 15 mills was upheld in that election for the future support of the fire district.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year the tax is levied. Ad valorem taxes are determined using the assessed values determined by the Tax Assessor of Grant Parish. Revenues from ad valorem taxes are recognized as revenue in the year billed.

NOTE 5. RELATED PARTY TRANSACTIONS

There are no related party transactions to disclose as required by FASB 57.

NOTE 6. SUBSEQUENT EVENTS

Subsequent events were evaluated by management up to and including the issue date of this report, June 19, 2013. There were no subsequent events noted which would affect the financial statements for the year ended December 31, 2012.

NOTE 7. BUDGET VARIANCES

The budget variances were within the 5% limit as required by state law.

NOTE 8. RISK MANAGEMENT

The Fire District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; and injuries to employees. To handle such risks of loss, the District maintains various insurance coverages. The policy covers general liability, property, employee liability, and public officials' liability. No claims were paid on any of the policies during the past three years that exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year. The insurance is provided through the Wilkins Insurance Agency, Inc. and Regions Insurance,

**FIRE PROTECTION DISTRICT No. 6 OF GRANT PARISH
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.**

**Notes to Financial Statements
December 31, 2012**

Inc.

NOTE 9. LEASE

The fire district leases a building in Bentley which it utilizes as Fire Station #2 for the purpose of storage and accessibility of truck mounted fire fighting equipment. The building is leased from Huey Wallace on a 25 year lease for the amount of \$1.00 for the entire term of the lease.

NOTE 10. PRIOR PERIOD ADJUSTMENT

The prior period adjustment of \$84,337 was due to elimination of accounts receivable from prior years, which no longer applies. This adjustment resulted in a reduction of Total Assets and Other Debits of 84,337, and a corresponding reduction in Undesignated Fund Balance.

**SUPPLEMENTARY
INFORMATION SCHEDULES**

GRANT PARISH FIRE PROTECTION DISTRICT No. 6
and
HUDSON CREEK VOLUNTEER FIRE DEPARTMENT, INC.
Bentley, Louisiana

SCHEDULE OF COMPENSATION PAID COMMISSIONERS
For the year ended December 31, 2012

The names of the commissioners who serve on the board are listed below. They are as follows:

Frankie Coleman - President 1746 Grays Creek Road Dry Prong, LA 71423 318/201-2362	\$840
Terry Sharbono – Vice President 130 Crooks Lane Dry Prong, LA 71423 318/623-0737	\$840
William Smith – Secretary 182 Crooks Lane Dry Prong, LA 71423 318/451-4140 cell	\$6900
Carolyn Gresham – Treasurer 850 Hwy 1241 Dry Prong, LA 71423 318/452-8074	\$840
Gary Edwards – Board Member 571 Stuart Lake Road Dry Prong, LA 71423 318/446-3475	\$840

SCHEDULE OF FINDINGS AND RESPONSES
GRANT PARISH FIRE PROTECTION DISTRICT No. 6
Bentley, Louisiana

Findings for the Current Year Ended December 31, 2012

FINDING 2012-1

CRITERIA: Duties should be distributed among employees

CONDITION: Inadequate segregation of duties

CONTEXT: The district has only one person for handling the duties of the office personnel. Office duties are a part-time job.

EFFECT OF CONDITION: Internal control is weakened by the limited staff. Risk is mitigated and internal control is strengthened by the continuing oversight of the board.

CAUSE OF CONDITION: The staff consists of only one person.

RECOMMENDATION: Hire more employees and redistribute duties.

CLIENT RESPONSE: This would be impractical and cannot be remedied due to lack of funds.

Findings for the Prior Year Ended December 31, 2011

FINDING 2011-1

CRITERIA: Duties should be distributed among employees

CONDITION: Inadequate segregation of duties

CONTEXT: The district has only one person for handling the duties of the office personnel. Office duties are a part-time job.

EFFECT OF CONDITION: Internal control is weakened by the limited staff. Risk is mitigated and internal control is strengthened by the continuing oversight of the board.

CAUSE OF CONDITION: The staff consists of only one person.

RECOMMENDATION: Hire more employees and redistribute duties.

CLIENT RESPONSE: This would be impractical and cannot be remedied due to lack of funds.